

Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: Ordinances for a Strategic Partnership Agreement with Harris

County Municipal Utility District 344 and the limited purpose annexation of that district.

Category	Page	Agenda Item
# 84-89A	1011	# 24-24A

FROM (Department or other point of origin):
Planning and Development

Origination Date
November 27, 2001

Agenda Date
~~DEC 05 2001~~
DEC 12 2001

DIRECTOR'S SIGNATURE:

[Signature]

Council District affected:
ALL

[Signature]

For additional information contact: Jerry Wood
Phone: 713-837-7717

Date and identification of prior authorizing Council action: October 3, 2001; 2001-908

-1144

RECOMMENDATION: (Summary) City Council is recommended to pass the ordinances for the Strategic Partnership Agreement with Harris County Municipal Utility District 344, and annexing the territory of the district for limited purposes.

Amount and Source of Funding: DNA

F & A Budget:

SPECIFIC EXPLANATION: On November 7th and 14th of this year City Council conducted hearings on the proposed Strategic Partnership Agreement with HCMUD 344. This agreement provides for the limited purpose annexation of the district, and its eventual annexation for general purpose after the completion of the district's utility system. Under the agreement the district will assess future residents and businesses for the services that the City provides within the district. The assessment for fire protection and EMS is limited to \$15 per month. The City will not collect property taxes within the district until it is annexed for general purposes. The City will collect and retain all sales taxes collected from within the district even during the period it is annexed for limited purposes.

The district is located southwest of Lake Houston on the south side of West Lake Houston Parkway between Duessen Parkway and Beltway 8. It is adjacent to the city limits on its eastern boundary, along Duessen Parkway. There is currently no development in the district. It is part of the Summerwood master planned community, and consists of just under 690 acres of land. The land plan for the district includes large areas of single family homes with commercial development projected for the land adjacent to the Beltway. No homes in the Summerwood development flooded during Tropical Storm Allison.

The territory of the district is located in a precinct assigned to District E, which it borders on its east. Until its annexation for general purposes, residents of the district will be able to vote for members of City Council, the Mayor, charter changes and other referenda. They will not be able to vote for the Controller, or in bond elections, according to State law.

The Strategic Partnership Agreement allows the City to recover its costs prior to the annexation of the district for general purposes, and to limit its expenses for fire protection and EMS to reflect the assessments received for that service. It allows the City Council to decide whether to complete the annexation once the utility system is developed, without having to go through the three year annexation plan.

REQUIRED AUTHORIZATION

F & A Director:

Other Authorization:

Other Authorization:

City of Houston, Texas Ordinance No. 2001-1144

AN ORDINANCE APPROVING AND AUTHORIZING A STRATEGIC PARTNERSHIP AGREEMENT BETWEEN THE CITY OF HOUSTON , THE HARRIS COUNTY MUNICIPAL UTILITY DISTRICT 344, AND GENSTAR SUMMERWOOD L.P.; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, the City of Houston, Texas (the "City") is authorized to enter into a Strategic Partnership Agreement pursuant to § 43.0751 of the Texas Local Government Code; and

WHEREAS, the City Council, by Ordinance No. 2001-908 adopted on October 3, 2001, called certain public hearings relating to the proposed Strategic Partnership Agreement with Harris County Municipal Utility District 344; and

WHEREAS, the City Council in compliance with Section 43.0751(d) of the Texas Local Government Code held the required public hearings regarding the proposed Strategic Partnership Agreement on November 7, 2001 and November 14, 2001; and **NOW**,

THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as a part of this Ordinance.

Section 2. The City Council hereby approves and authorizes the contract, agreement or other undertaking described in the title of this Ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 3. The Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such agreement, agreements or other undertaking described in the title of this ordinance, in the event of changed circumstances.

Section 4. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under said contract without further authorization from Council.

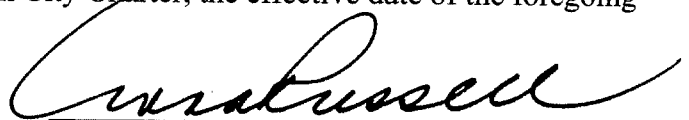
Section 5. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 12th day of December, 2001.

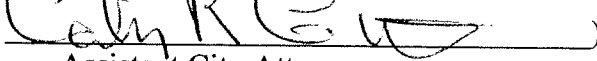
APPROVED this _____ day of _____, 20____.

Mayor of the City of Houston, Texas

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 18 2001.



City Secretary

(Prepared by Legal Dept. 
(CRC:dw 11-28-01) Assistant City Attorney
(Requested by Robert Litke, Director, Planning & Development Department)
(L.D. File No. 061-0100116-001)

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AYE	NO	
✓		MAYOR BROWN
....	COUNCIL MEMBERS
✓		TATRO
✓		GALLOWAY
✓		GOLDBERG
✓		BONEY
✓		TODD
✓		ELLIS
✓		KELLER
✓		VASQUEZ
✓		CASTILLO
✓		PARKER
✓		QUAN
	ABSENT-CITY BUSINESS	SANCHEZ
✓		BELL
	ABSENT-OUT OF CITY CITY BUSINESS	ROBINSON
CAPTION	ADOPTED	

**STRATEGIC PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF HOUSTON, TEXAS,
AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 344**

**THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §**

This **STRATEGIC PARTNERSHIP AGREEMENT** (this "Agreement") is made and entered into as of the Effective Date by and between the **CITY OF HOUSTON, TEXAS**, a municipal corporation principally situated in Harris County, Texas, acting by and through its governing body, the City Council of the City of Houston, Texas (the "City"), **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 344** (the "District"), a conservation and reclamation district created pursuant to Article XVI, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code and **GENSTAR SUMMERWOOD L.P.**, a Delaware limited partnership (the "Developer").

RECITALS

WHEREAS, Texas Local Government Code, §43.0751 (the "Act") authorizes the City and the District to negotiate and enter into a strategic partnership agreement by mutual consent; and

WHEREAS, this Agreement provides for the annexation of the District for the limited purposes of applying certain of the City's Planning, Zoning, Health and Safety Ordinances (defined herein); and

WHEREAS, as required by the Act, the City held public hearings on November 7, 2001, and November 14, 2001 at City Council Chamber, City Hall, 901 Bagby, Houston, Texas, and the District held public hearings on November 6, 2001, and November 13, 2001 at 14111 Summerwood Lakes Drive, Houston, Texas, within the District, and 1300 Post Oak Boulevard, Suite 1400, Houston, Texas, respectively, at which members of the public were given the opportunity to present testimony or evidence regarding the proposed Agreement, and the City and the District made copies of the proposed Agreement available, and published notices of the hearings prior to the public hearings in accordance with the terms of the Act; and

WHEREAS, the City and the District wish to enter into a strategic partnership agreement to provide the terms and conditions under which services will be provided by the City and the District and under which the District will continue to exist for an extended period of time after the District is annexed for limited purposes.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS AND BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 344:

**ARTICLE I
FINDINGS**

The City and the District hereby find and declare:

1. The Act authorizes the City and the District to enter into this Agreement to define the terms and conditions under which services will be provided to the City and the District and under which the District will continue to exist after the District is annexed for limited purposes pursuant to this Agreement;
2. This Agreement does not require the District to provide revenue to the City solely for the purpose of an agreement with the City to forgo annexation of the District;
3. This Agreement provides benefits to the City and the District, including revenue, services, and/or regulations which are reasonable and equitable with regard to the benefits provided to the other Party;
4. All the terms and conditions contained in this Agreement are lawful and appropriate to provide for the provision of municipal services and annexation; and
5. The City and the District negotiated this Agreement by mutual consent; the terms and conditions of the Agreement are not a result of the City's Annexation Plan or any arbitration between the City and the District.

ARTICLE II DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases used in this Agreement shall have, solely for the purposes of this Agreement, the meanings set out below:

"Act" means Texas Local Government Code, §43.0751 (Vernon Supp. 2001).

"Agreement" means this strategic partnership agreement by and between the City and the District and the Developer.

"Board" means the Board of Directors of the District.

"City" means the City of Houston, Texas, a municipal corporation principally situated in Harris County, Texas.

"City Charter" means the Charter of the City and any amendments thereto.

"City Code" means the Code of Ordinances of the City and any amendments thereto.

"City Council" means the City Council of the City or any successor governing body.

"Code of Criminal Procedure" means the Texas Code of Criminal Procedure and any amendments thereto.

"Comptroller" means the Comptroller of Public Accounts of the State of Texas.

"Consent Ordinance" means Ordinance Nos. 87-1343 and 95-1055 including all attachments and exhibits passed by the City Council consenting to the creation of and inclusion of land in the District.

"Developer" means Genstar Summerwood L.P., a Delaware limited partnership, and its successors and assigns.

"Director" means the Director of Planning and Development Department of the City or his or her designee.

"District" means Harris County Municipal Utility District No. 344, a conservation and reclamation district created pursuant to Article XVI, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code.

"Effective Date" means the date the City Controller countersigns this Agreement.

"ETJ" means the extraterritorial jurisdiction of the City.

"Government Code" means the Texas Government Code and any amendments thereto.

"Implementation Date" means the effective date of the limited-purpose annexation that is passed by City Council pursuant to Section 3.01.

"Landowner" means a person that owns real property in the District.

"Local Government Code" means the Texas Local Government Code and any amendments thereto.

"Party" or "Parties" means a party or the parties to this Agreement, being the City, the District, and the Developer.

"Planning, Zoning, Health, and Safety Ordinances" means Chapters 4, 6, 8, 11, 20, 21, 22, 28, 30, 32, 33, 34, 43, 45, and 46 of the City Code or any successor chapters thereto and all applicable uncodified traffic ordinances. Chapter 42 of the City Code, which applies to the subdivision of property in the District, shall continue to apply following the limited-purpose annexation.

"Resident" means a person that resides in the District.

"Sales and Use Tax" means the sales and use tax authorized to be imposed in the District by the Act and Tax Code Chapter 321.

"Tax Code" means the Texas Tax Code and any amendments thereto.

"TNRCC" means the Texas Natural Resource Conservation Commission and its successors.

ARTICLE III LIMITED-PURPOSE ANNEXATION

Section 3.01 Limited-Purpose Annexation

A. Generally

Following the Effective Date and in no event later than December 31, 2001, as authorized by Subchapter F of Chapter 43 and the Act, the City shall annex the District for the limited purposes of

applying the City's Planning, Zoning, Health, and Safety Ordinances within the District. These ordinances will be applicable and enforceable in the District upon the date of limited-purpose annexation.

The Parties recognize that at the time of the Agreement, the City's power to zone is restricted by City Charter Article VII-b, Section 13. If the City adopts a zoning ordinance pursuant to City Charter Article VII-b, Section 13, during the period of limited-purpose annexation, the zoning ordinance shall only apply to the District if the exclusion of the District from the zoning ordinance would, as a matter of law, invalidate the City's ability to zone the City as a whole. If the City initiates procedures to adopt such a zoning ordinance, the City agrees to use its best efforts to draft such ordinance in a manner that would not require any application of the ordinance to the District. If the City is required to apply any such zoning ordinance to the District during the period of limited-purpose annexation, the City agrees to apply a zoning classification to the property inside the District that would not cause any then-current structures or the use of any property inside the District to become noncomplying or nonconforming as a result of the classification.

B. Property Taxes and District Liability for Debts of the City

Until the District is annexed for full purposes and except as otherwise provided in Article V: the District and all taxable property within the District shall not be liable for any present or future debts of the City, and current and future taxes for tax years levied by the City shall not be levied on taxable property within the District.

C. Municipal Court's Jurisdiction

Upon limited-purpose annexation the City's municipal court shall have jurisdiction to adjudicate criminal cases filed under the Planning, Zoning, Health and Safety Ordinances and State laws as set out in Article 4.14 of the Code of Criminal Procedure.

Section 3.02 Regulatory Plan for the District

The City hereby adopts the Regulatory Plan for the District attached to this Agreement as Exhibit A. Pursuant to Local Government Code §43.125(c), the City may amend the Regulatory Plan. In the event that the City seeks to amend the Regulatory Plan from time to time, the City shall give the District notice of its intentions not later than the 90th day before the City intends to amend the Regulatory Plan and shall not amend the Regulatory Plan without the consent of the District. Not later than the 20th day before the City intends to amend the Regulatory Plan, the City must hold a public hearing on the amendments to the Regulatory Plan and allow members of the public to testify and give evidence for or against the proposed amendments to the Regulatory Plan. In the event of a conflict between the Regulatory Plan and any amendments thereto and this Agreement, this Agreement shall control. The notice requirements of this section are applicable only to changes in the Regulatory Plan that specifically relate to the District and are not applicable to the ordinances or amendments to the City Code that have effect throughout the boundaries of the City.

Section 3.03 Powers and Functions Retained by the District

Prior to full-purpose annexation as provided in Article VIII, except as limited by the Consent Ordinance, the District is authorized to exercise all powers and functions of a municipal utility district provided by existing law or any amendments or additions thereto. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period preceding full-purpose annexation. Disposition or acquisition of additional assets, liabilities, indebtedness, and obligations shall be governed by the Consent Ordinance to the extent the Consent Ordinance is not

inconsistent with this Agreement. The City hereby approves, without the need for any further action by the City, the District's power to incur additional debts, liabilities, or obligations, to construct additional utility facilities, and to sell or otherwise transfer property as provided in and as consistent with the Consent Ordinances and further approves and ratifies such actions as may have been taken during any period of negotiations of this Agreement.

In the event the District wishes to include additional land in the District, the laws applicable to City consent requirements for conservation and reclamation districts in the ETJ shall apply; provided that the terms of this Agreement shall apply to any areas so included to the extent that the parties agree to amend this Agreement to apply thereto.

ARTICLE IV VOTING RIGHTS IN THE DISTRICT

Section 4.01 Generally

Pursuant to Local Government Code §43.130, after the District is annexed for limited purposes, the qualified voters of the District may vote in City elections regarding the election or recall of the Mayor, and members at large and in their Council District of the City Council; and regarding amendments to the City Charter. Such applicable rights shall be subject to all state and federal voting rights, laws and regulations. Until the District is annexed for full purposes, the qualified voters of the District may not vote in any City bond election. A Resident of the District is not eligible to be a candidate for or to be elected to an office of the City until the District is annexed for full purposes.

Section 4.02 Notice

On or after the 15th day but before the fifth day before the date of the first election held in which the Residents are entitled to vote as set out in Section 4.01, the City at its own expense, shall publish a quarter-page advertisement in a newspaper of general circulation in the City and District notifying the Residents that they are eligible to vote in the election and stating the location of all polling places for the voters of the District. The District, at its own expense, may provide for similar notice in a newspaper of general circulation in the District or otherwise.

Section 4.03 Designation of District Precincts and Preparation of District Ballots

The City shall include the District in a single-member City Council district and establish an election precinct or election precincts covering the District for the purpose of the District's limited participation in City elections. The City Secretary shall prepare the official ballot for the District's election precinct(s) containing only those City offices and City Charter amendments on which the qualified Resident voters of the District are entitled to vote pursuant to this Agreement and the laws of the State of Texas.

ARTICLE V SALES AND USE TAX AGREEMENT

Section 5.01 Imposition of the City's Sales and Use Tax

Pursuant to subsection (k) of the Act, the City shall impose a Sales and Use Tax within the boundaries of the District upon the limited-purpose annexation of the District. The Sales and Use Tax shall be imposed at the rate of one percent on the receipts from the sale and use at retail of taxable items, in accordance with Tax Code Chapter 321. The Sales and Use Tax shall take effect on the date described in Tax Code §321.102.

ARTICLE VI SERVICES PROVIDED BY THE DISTRICT

Section 6.01 Water, Sewer, and Drainage Services

As consideration for the services provided for in Article VII, the District shall continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District. Further, the District shall take one or a combination of the following actions for the benefit of the District, the Developer, its Landowners and Residents:

1. Accelerate the development of the water, wastewater and drainage system in the District as necessary to encourage private investment in new construction in the District;
2. Accelerate reimbursements to developers for eligible infrastructure development to encourage such development;
3. Lower the overall property tax rate of the Landowners to encourage additional investment and development within the District;
4. Perform other District functions that might otherwise be diminished, curtailed, abbreviated or delayed by financial limitations.

The District agrees to operate and maintain its water, wastewater, and drainage facilities at the same level as the District has operated and maintained them before the Implementation Date. The City shall have the right to periodically inspect the District's water, wastewater, and drainage facilities.

ARTICLE VII SERVICES PROVIDED BY THE CITY

Section 7.01 Municipal services, generally

As consideration for the services provided for in Article VI and for the District's waiver of the District's annexation rights and privileges provided in Local Government Code Chapter 43, the City shall provide fire suppression, police and emergency medical services, and other services as the Director and the District may agree pursuant hereto. During the period of limited-purpose annexation, the City shall provide such services at the same level as those services are provided at the corresponding time within other parts of the City with topography, land use, and population density similar to that of the District.

Section 7.02 City Fire/EMS services

The District will formulate, with the assistance and advice of the City, and in conjunction with the Harris County Municipal Utility District No. 361, a "fire plan," as such term is used in Water Code §49.351, consistent with the terms of this section. The City shall provide all required fire and emergency medical services ("EMS") within the District. Such services will be provided at the level determined pursuant to Section 7.01, above. The District will use its reasonable efforts to secure the required authorization for the fire plan and to provide therein for compensation to the City for fire/EMS protection services to the District. Payment to the City with regard to services provided under this section shall be

described in the fire plan, and shall be based upon the actual costs to the City, including reasonable overhead, in providing such services, subject to the terms of Section 7.04, below.

The Developer agrees to provide without compensation from the City a site for a fire station within the District or an adjacent District not to exceed 2.5 acres, at a location mutually agreeable by the Fire Chief of the City or his designee and the Developer, and the City agrees to make use of such site in conjunction with the provision of fire/EMS service described herein. The conveyance of such site will provide that it will revert to the Developer in the event it is not used by the City for fire prevention or suppression purposes within two years from the date of conveyance at no cost to the Developer. Such conveyance shall take place within 90 days of request therefor by the City Fire Chief, which request shall not occur until the City is prepared to make use of the site as provided herein. The Parties acknowledge that under this Agreement and the proposed agreement between the City of Houston and Harris County MUD 361 the Developer has the obligation to provide only a single fire station site.

The City recognizes and acknowledges that the District is within the boundaries of Harris County Rural Fire Prevention District No. 6 (the "Fire District"), created and operating pursuant to Chapter 794, Texas Health and Safety Code, as amended ("Health Code") and Harris County Emergency Services District No. 2 (the "Emergency Services District"), created and operating pursuant to Chapter 795 of the Health Code. Further, the City recognizes and acknowledges that the Fire District and the Emergency Services District currently levy an ad valorem tax upon all taxable property within the District. As consideration for the District entering into this Agreement, the City agrees as follows:

1. The City shall notify the Fire District that the territory within the District is excluded from the Fire District's territory and shall immediately thereafter commence providing fire suppression services as set forth in Section 7.01 above. Said notice by the City shall be given upon the first to occur of the following: (a) the time of institution of the Fee, as defined below, or (b) the commencement of operations by the City at the fire station described above.
2. The City shall request that the Emergency Services District disannex the territory in the District and cease to provide services to Residents of the District and shall immediately thereafter commence providing emergency medical services as set forth in Section 7.01 above. Said request by the City shall be given upon the first to occur of the following: (a) the time of institution of the Fee, as defined below, or (b) the commencement of operations by the City at the fire station described above.
3. The City shall cooperate with and assist the District and the Developer with respect to exclusion of the District from the Fire District and Emergency Services District in order to minimize or eliminate any continuing liability of the District, the Developer, or Residents and Landowners within the District for taxes and/or indebtedness of the Fire District and the Emergency Services District following said exclusion.

It is specifically understood and agreed, notwithstanding any provision in this Agreement to the contrary, that the City shall commence fire suppression and emergency medical services, respectively, immediately upon the exclusion of the District from the boundaries of the Fire District and Emergency Services District, as applicable.

Section 7.03 Other City services

Upon request by the District, the City shall provide street lighting to the District following receipt of written assurance from the District in a form acceptable to the City's Director of Public Works and Engineering or his designee of the District's ability to reimburse the City for its expenses in connection therewith. The Parties may also cooperate to provide solid waste collection within the District upon mutual agreement of the District and the Director of Solid Waste or his designee.

Section 7.04 Costs and assessments

The City shall determine its actual costs of providing municipal services described in this Article using generally accepted municipal accounting procedures, and shall provide such cost to the District annually, at least 60 days prior to the beginning of the District's fiscal year. The costs of each City service shall be separately accounted for and, to the extent the City receives fees or other revenues in connection therewith (e.g., user, inspection or permit fees), such revenues shall be described and used to offset the City's costs. In determining the cost of providing fire/EMS services pursuant to Section 7.02, above, the costs shall be spread over the entire area anticipated to be served by the fire/EMS facilities serving the District.

In accordance with the Act, the District shall impose a fee on residential property within the District to be used to pay the City as provided herein. The fee shall be equal to the costs of providing municipal services within the District as computed above, divided by the number of residential properties within the District. Fees with respect to multi-family properties, if any, shall be allocated based upon the number of dwelling units within each property. The District will convert the fee derived under this section into a monthly fee, payable by the owners of residential property within the District (the "Fee"), enforceable to the extent allowed by law in the same manner as other District fees and expenses. Notwithstanding the above, the Fee with respect to fire/EMS services shall not exceed \$15.00 per residence per month without the written consent of the District and the Director.

Each calendar quarter, the District shall pay the Fee collected pursuant to this Section, net of reasonable collection costs, to the City in lieu of full purpose annexation.

ARTICLE VIII FULL-PURPOSE ANNEXATION

Section 8.01 Full-purpose annexation

The City agrees that, irrespective of its right and power under existing or subsequently enacted law including under Section 17 of Senate Bill 89, published as Act of May 30, 1999, 76th Leg., R. S., ch. 1169, Section 17, 1999 Tex. Gen. Laws 4074, 4090, it will not annex or attempt to annex the District for full purposes until the following conditions have been met:

1. All of the District's water supply and distribution, wastewater collection and treatment, and drainage facilities have been developed; and
2. The Developer developing water supply and distribution, wastewater collection and treatment, and drainage facilities, has been reimbursed by the District to the maximum extent permitted by the rules of the TNRC or the City assumes the full obligation for such reimbursement of the District under such rules.

If the City wishes to complete remaining District facilities to comply with Item 1, above, the District will cooperate with the City to provide access to the District's facilities and allow such connection or supplement thereto as may be reasonably necessary upon written notice of its intent to so

complete from the City to the District; provided that any such construction by or on behalf of the City shall be performed consistent with the District's then-current land plan and shall provide water supply and distribution, wastewater collection and treatment, and drainage facilities to the entire District.

When the conditions of this section have been met, the City may, at its option, annex the District for full purposes 120 days after notifying the District of its intention to do so. Full-purpose annexation shall not be effective until the City Council has passed an ordinance declaring that the District is annexed for full purposes as provided by this Agreement. In no event shall the date that the City may exercise its option to annex the District for full-purpose annexation be more than 30 years from the Implementation Date.

Section 8.02 Payments In Lieu of Full-Purpose Annexation

As additional consideration, the District agrees to pay to the City an annual fee, in addition to the other consideration provided in this Agreement, for the provision of municipal services provided in this Agreement in lieu of full-purpose annexation. The annual fee shall be \$100. The annual fee shall be due on each anniversary of the Implementation Date. The City and the District hereby waive their respective right to request a cost-of-services study for the purpose of determining the annual fee provided in this section. The City waives its right to terminate this Agreement for failure by the District to make an annual fee payment stated in this section. Both the City and the District waive their right to request a renegotiation of the methodology for calculating the fee under this section.

Section 8.03 Annexation Procedures

Because the District, as of the Effective Date, is an area that is the subject of a strategic partnership agreement, the City is not required to include the District in its Annexation Plan. At the time that the City undertakes to annex the District for full purposes in accordance with this Agreement, the City shall follow the procedures and provide the level of services described in Local Government Code Chapter 43, Subchapter C-1. During the year before the date of full-purpose annexation, the City and the District shall develop an annexation transition plan so as to facilitate the orderly transition of municipal services, including water, wastewater, and drainage services.

Section 8.04 Waiver of timing requirements

This Agreement constitutes an amendment to the timing requirements of Local Government Code §43.123(d)(2) and §43.127 pursuant to the Act and as a result the City is not required to annex the District for full purposes within three years of its annexation for limited purposes. In addition, the Parties acknowledge that the Developer, as well as other owners of property within the District and the Harris County Municipal Utility District No. 361, have waived such timing provisions as well.

ARTICLE IX MATERIAL BREACH, NOTICE AND REMEDIES

Section 9.01 Material Breach of Agreement

A. It is the intention of the Parties to this Agreement that the District be regulated and annexed in accordance with the terms of this Agreement. A material breach of this Agreement by the District includes any one or more of the following:

1. Failure of the District to act in good faith in the annexation of territory within the District by the City for limited or full purpose as authorized by this Agreement;

2. Failure of the District to comply with the Regulatory Plan as developed by the City; or

3. Failure of the District to develop and to operate and maintain the District's water, sewer, and drainage facilities as provided in Article VI.

B. A material breach of this Agreement by the City includes any one or more of the following:

1. Failure of the City to provide the municipal services as provided in Article VII; or to give notice under Section 7.02 of this Agreement for the exclusion of the territory in the District from the boundaries of the Fire District and the Emergency Services Districts.

2. Any attempt by the City to annex the District for full-purposes in contravention of the schedule set forth in Article VIII.

C. A material breach of this Agreement by the Developer includes a failure of the Developer to convey the fire station site described in Section 7.02, above.

In the event that a Party to this Agreement believes that another Party has, by act or omission, committed a material breach of this Agreement, the provisions of this Article shall govern the remedies for breach of this Agreement.

Section 9.02 Notice of District's Default

A. The City shall notify the District in writing of an alleged failure by the District to comply with a provision of this Agreement, describing the alleged failure with reasonable particularity. The District shall, within 30 days after receipt of such notice or such longer period of time as the City may specify in such notice, either cure such alleged failure or, in a written response to the City, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

B. The City shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the District. The District shall make available to the City, if requested, any records, documents or other information necessary to make the determination.

C. If the City determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the City, or that such failure is excusable, such determination shall conclude the investigation.

D. If the City determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the District in a manner and in accordance with a schedule reasonably satisfactory to the District, then the City may exercise the applicable remedy under Section 9.04(A).

Section 9.03 Notice of City's Default

A. The District shall notify the Director in writing specifying any alleged failure by the City to comply with a provision of this Agreement, describing the alleged failure with reasonable particularity. The City shall, within 30 days after receipt of such notice or such longer period of time as the District may specify in such notice, either cure such alleged failure or, in a written response to the District, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

B. The District shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the City. The City shall make available to the District, if requested, any records, documents or other information necessary to make the determination.

C. If the District determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the District, or that such failure is excusable, such determination shall conclude the investigation.

D. If the District determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the City in a manner and in accordance with a schedule reasonably satisfactory to the District, then the District may exercise the applicable remedy under Section 9.04(B).

Section 9.04 Remedies

A. In the event of a determination by the City that the District has committed a material breach of this Agreement, the City may file suit in a court of competent jurisdiction in Harris County, Texas, and seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act and termination of this Agreement as to the District.

B. In the event of a determination by the District that the City has committed a material breach of this Agreement, the District may file suit in a court of competent jurisdiction in Harris County, Texas, and seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act and termination of this Agreement as to the City and exercise the District's annexation rights as provided in Local Government Code Chapter 43.

C. In the event the City determines that the Developer has failed to honor its obligation under the second paragraph of Section 7.02, the City may seek damages for the value of the fire station site or seek specific performance.

ARTICLE X BINDING AGREEMENT, TERM, AND AMENDMENT

Section 10.01 Beneficiaries

This Agreement shall bind and inure to the benefit of the Parties, their successors and assigns, and, only as provided in Article VIII, the Landowners and Residents. In the event of a material breach of Article VIII by the City, the Landowners and Residents shall have the same rights as the District and shall follow the same procedures as the District as set out in Article IX. This Agreement shall be recorded with the County Clerk in Official Records of Harris County, Texas and shall bind each owner and each future owner of land included within the District's boundaries in accordance with Subsection (c) of the Act.

Section 10.02 Term

This Agreement shall commence and bind the Parties on the Effective Date and continue until the earlier of full-purpose annexation or 30 years from the Effective Date. Any rights or privileges of the Landowners and Residents under this Agreement will terminate on the later of the date of full-purpose annexation or 30 years from the Effective Date.

Section 10.03 Amendment

The Parties by mutual consent may amend the terms and conditions of this Agreement at any time.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.01 Notice

Any formal notices or other communications ("Notice") required to be given by one Party to another by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such Party, (i) by delivering the same in person (ii) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, (iii) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing "next day delivery," addressed to the Party to be notified, or (iv) by sending the same by telefax with confirming copy sent by mail. Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties, until changed as provided below, shall be as follows:

All Notices required or permitted hereunder shall be in writing and shall be served on the Parties at the following address:

City: City of Houston
P.O. Box 1562
Houston, Texas 77002
Attn: Director, Department of Planning and Development
or his or her designee

District: Harris County Municipal Utility District No. 344
c/o Schwartz, Page & Harding LLP
1300 Post Oak Blvd., Suite 1400
Houston, Texas 77056
Attn: Joseph Schwartz

Developer: Genstar Summerwood L.P.
10235 W. Little York, Suite 260
Houston, Texas 77040
Attn: Lisa Nickel

The Parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least five days written notice to the other Parties. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

Section 11.02 Time

Time is of the essence in all things pertaining to the performance of this Agreement.

Section 11.03 Severability

If any part of this Agreement is found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

Section 11.04 Waiver

Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 11.05 Applicable Law and Venue

The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Harris County, Texas.

Section 11.06 Reservation of Rights

To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws.

Section 11.07 Further Documents

The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement.

Section 11.08 Incorporation of Exhibits and Other Documents by Reference

All Exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

Section 11.09 Effect of State and Federal Laws

Notwithstanding any other provision of this Agreement, the District shall comply with all applicable statutes or regulations of the United States and the State of Texas, as well as any City Ordinances or rules implementing such statutes or regulations.

Section 11.10 Authority for Execution

certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted by the Board.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, the Parties have executed this Contract in multiple copies, each of which shall be an original, as of the date countersigned by the City Controller of the City of Houston.

**HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 344**

By: _____
Name:
President, Board of Directors

ATTEST:

By: _____
Name:
Secretary, Board of Directors

**GENSTAR SUMMERWOOD L.P., a Delaware
limited partnership**

By: Genstar Houston LLC, a Delaware
limited liability company, its general partner

By: _____
Lisa Nickel, Vice President

By: _____
Name: _____
Title: _____

CITY OF HOUSTON, TEXAS

By: _____
Mayor

ATTEST:

By: _____
City Secretary

APPROVED:

By: _____
Director, Department of Planning and Development

APPROVED AS TO FORM:

By: _____
Assistant City Attorney
L.D. File No. _____

COUNTERSIGNED:

By: _____
City Controller

DATE COUNTERSIGNED: _____

Exhibit A

Regulatory Plan

**A Report on the Proposed Limited Purpose Annexation of
Harris County Municipal Utility District #344**

**Including
A Planning Study
And
Regulatory Plan**

The City of Houston will provide police service in the area annexed for limited purposes. In connection with that service, the City will enforce Chapters 4, 6, 8, 11, 20, 21, 22, 28, 30, 32, 33, 34, 43, 45, and 46 of the City Code and all applicable uncodified traffic ordinances. Since the City does not have a zoning ordinance, the area will not be zoned.

The area will be annexed for full purposes after the utility systems (water, wastewater and drainage) have been fully developed and any eligible developer reimbursements have been made. As a part of the Strategic Partnership Agreement a majority of the property owners waive the right to require the City to annex for full purposes within three years of the date that the area is annexed for limited purposes.

City of Houston, Texas, Ordinance No. 2001-1145

AN ORDINANCE ANNEXING TO THE CITY OF HOUSTON, TEXAS FOR LIMITED PURPOSES ALL OF THE AREA IN HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 344; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; ADOPTING A REGULATORY PLAN FOR SUCH AREA; IMPOSING THE SALES TAX OF THE CITY OF HOUSTON, TEXAS IN SUCH AREA; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City of Houston, Texas is authorized to annex territory for limited purposes in compliance with the procedures established by the Texas Local Government Code; and

WHEREAS, the City Council, by Ordinance No. 2001-908 adopted on October 3, 2001 called certain public hearings relating to the proposed annexation for limited purposes of all of the area in Harris County Municipal Utility District No. 344; and

WHEREAS, in compliance with Section 43.124 of the Texas Local Government Code, on November 7, 2001 and November 14, 2001 the City Council held the required public hearings regarding the proposed limited purpose annexation of said territory; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. The findings set forth in the preamble of this Ordinance are determined to be true and correct and are hereby adopted.

Section 2. The City of Houston hereby annexes for limited purposes all of the area in Harris County Municipal Utility District No. 344, in Harris County, Texas, by the passage of this Ordinance.

Section 3. Subject to all sections of this Ordinance, all of the area in Harris County Municipal Utility District No. 344, in Harris County, Texas, is hereby annexed to the City of Houston, Texas for limited purposes. The boundaries of the annexed area are set out in "Exhibit A," which exhibit is attached hereto, incorporated herein by this reference, and made a part hereof for all purposes.

Section 4. A regulatory plan for the territory within the boundaries set out in Exhibit A is hereby adopted as part of this Ordinance. Such regulatory plan is set out in "Exhibit B," which is attached hereto, incorporated herein by this reference, and made a part hereof for all purposes.

Section 5. In accordance with the authority granted by Section 43.0751(k) of the Texas Local Government Code, the City of Houston hereby imposes a retail sales and use tax within the boundaries of Harris County Municipal Utility District No. 344. Such sales and use tax will be administered and governed by the pertinent provisions of the Texas Tax Code.

Section 6. This Ordinance shall not repeal, impair, modify or otherwise affect any other ordinance annexing territory to the City of Houston, or any other ordinance heretofore passed on one or more readings and not yet passed on final reading, annexing any territory to the City of Houston, but such other ordinance or ordinances shall remain and continue to be effective as to their intent and purpose as therein stated, wholly unaffected

in any way or manner by the passage of this Ordinance. This Ordinance shall not otherwise be impaired or affected by any other ordinance heretofore introduced or passed on any reading, whether final or not; nor shall it be affected by any other ordinance which may hereafter be introduced or passed on one or more readings, pending the final passage of this Ordinance; and this Ordinance shall be effective as to its intent and purpose as hereinabove stated, wholly unaffected by any other annexation ordinance introduced and passed or hereafter introduced and passed on any reading, whether final or not final, annexing territory to the City of Houston, and wholly unaffected by any ordinance heretofore or hereafter passed calling a hearing and giving notice relative to the institution of any annexation proceedings.

Section 7. It is the intention of the City of Houston and its City Council to comply with the Constitutions and laws of the United States of America and the State of Texas and with all applicable provisions of the Charter of the City of Houston, and this Ordinance shall be interpreted and construed in harmony therewith.

Section 8. The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof have been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 9. If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose. Should this Ordinance for any reason be ineffective as to any part of the area hereby annexed to the City of Houston, such ineffectiveness of this Ordinance as to any such part or parts of any such area shall not affect the effectiveness of this Ordinance as to all of the remainder of such area, and the City Council hereby declares it to be its purpose to annex to the City of Houston for limited purposes every part of the area described in Exhibit A of this Ordinance, regardless of whether any other part of such described area is hereby effectively annexed to the City. Provided, further, that if there is included within the description of territory set out in Exhibit A of this Ordinance to be hereby annexed for limited purposes to the City of Houston any area or lands which are presently part of and included within the general limits of the City of Houston, or which are presently part of and included within the limits of any other municipality, or which are not within the jurisdiction or power of the City of Houston to annex, the same is hereby excluded and excepted from the territory to be hereby annexed as fully as if such excluded and excepted area were expressly described herein.

Section 10. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on that date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 12th day of December, 2001.

APPROVED this _____ day of _____, 2001.

Mayor of the City of Houston, Texas

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 18 2001.



City Secretary

 Prepared by Legal Dept.



Senior Assistant City Attorney 

Requested by Robert Litke, Director, Department of Planning and Development
L.D. File No. 061-0100112001

u:\dbd\lord\harcomud344

AYE	NO	
✓		MAYOR BROWN
....	COUNCIL MEMBERS
✓		TATRO
✓		GALLOWAY
✓		GOLDBERG
✓		BONEY
✓		TODD
✓		ELLIS
✓		KELLER
✓		VASQUEZ
✓		CASTILLO
✓		PARKER
✓		QUAN
	ABSENT-CITY BUSINESS	SANCHEZ
✓		BELL
	ABSENT-OUT OF CITY CITY BUSINESS	ROBINSON
CAPTION	ADOPTED	

McCord Development
Kingsgate Forest
688.48 Acres (HCMUD No. 344)

Victor Blanco Survey
Abstract No. 2

STATE OF TEXAS §

COUNTY OF HARRIS §

A **METES AND BOUNDS** description of a 688.48 acre tract of land situated in the Victor Blanco Survey, Abstract No. 2, Harris County, Texas: being out of the 1167.8 acre tract as described in Special Warranty Deed (with vendor's lien) from FRM N.E. Belt Venture #1, to McCord Development Communities, L.P., recorded under Clerk's File No. R166950, Harris County Official Public Records of Real Property and being a portion of a 14.429 acre tract from FRM N.E. Belt Venture No. 1 to the State of Texas as recorded under Clerk's File No. L277249 of the Harris County Official Public Records of Real Property; said 688.48 acre tract of land being more particularly described as follows with all bearings being referenced to a call of South 88°05'36" West, along the south property line of said 1167.8 acre tract;

BEGINNING at the southeast corner of said 1167.8 acre tract on the west right-of-way line of Deussen Parkway (300-feet wide) as recorded in Volume 3166, Page 15 of the Harris County Deed Records;

THENCE, South 88°05'36" West, along the south line of said 1167.88 acre and north line of a 1804.436 acre tract as described in the deed from NCNB Bank to Glen Johnson, et al recorded under Clerk's File No. M115640, Harris County Official Public Records of Real Property at 11347.30 feet passing the east right-of-way line of Beltway 8 (East Belt) (right-of-way varies) and the east line of said 14.429 acre tract, continuing for a total distance of 11460.91 feet to a point at the southwest corner of said 14.429 acre tract;

THENCE, North 05°19'57" East, 918.61 feet along the west line of said 14.429 acre tract to an angle point;

THENCE, North 05°44'00" East, continuing along the west line of said 14.429 acre tract, 879.51 feet to a point beginning a curve to the left;

THENCE, continuing along the west line of said 14.429 acre tract along the arc of said curve to the left having a radius of 3014.79 feet, a central angle of 15°30'46", an arc length of 816.25 feet and a long chord bearing North 02°01'22" West, 813.76 feet to a point of non-tangency;

THENCE, North 80°13'15" East, at 843.63 to a point for corner;

THENCE, South 88°29'52" East, 688.36 feet to a point for corner on the north right-of-way line of West Lake Houston Parkway (130-feet wide) as recorded under Clerk's File No. P467189 of the Harris County Official Public Records of Real Property, said point being on the arc of a non-tangent curve to the right, the radius point of which bears South 10°57'54" West, 3060.00 feet;

EXHIBIT A

McCord Development
Kingsgate Forest
688.48 Acres (HCMUD No. 344)

Victor Blanco Survey
Abstract No. 2

THENCE, along the north right-of-way line of said West Lake Houston Parkway in an easterly direction, the following three (3) courses and distances:

1. Along the arc of said curve to the right having a radius of 3060.00 feet, a central angle of $01^{\circ}58'03''$, an arc length of 105.08 feet and a long chord bearing South $78^{\circ}03'05''$ East, 105.08 feet to a point of tangency;
2. South $77^{\circ}04'03''$ East, 163.91 feet to a point beginning a curve to the left;
3. Along the arc of said curve to the left having a radius of 2940.00 feet, a central angle of $09^{\circ}41'15''$, an arc length of 497.09 feet and a long chord bearing South $81^{\circ}54'40''$ East, 496.50 feet to a point of non-tangency;

THENCE, South $19^{\circ}06'32''$ West, 134.92 feet to a point for corner on the south right-of-way line of said West Lake Houston Parkway, said point being on the arc of a non-tangent curve to the left, the radius point of which bears North $03^{\circ}56'00''$ East, 3070.00 feet;

THENCE, along the south right-of-way line of said West Lake Houston Parkway in an easterly direction, the following five (5) courses and distances:

1. Along the arc of said curve to the left having a radius of 3070.00 feet, a central angle of $17^{\circ}03'23''$, an arc length of 913.91 feet and a long chord bearing North $85^{\circ}24'19''$ East, 910.54 feet to a point of tangency;
2. North $76^{\circ}52'37''$ East, 195.09 feet to a point beginning a curve to the right;
3. Along the arc of said curve to the right having a radius of 2930.00 feet, a central angle of $14^{\circ}21'39''$, an arc length of 734.39 feet and a long chord bearing North $84^{\circ}03'28''$ East, 732.47 feet to a point of tangency;
4. South $88^{\circ}45'43''$ East, 174.47 feet to a point beginning a curve to the left;
5. Along the arc of said curve to the left having a radius of 3070.00 feet, a central angle of $72^{\circ}58'09''$, an arc length of 3909.80 feet and a long chord bearing North $54^{\circ}45'11''$ East, 3650.88 feet to a point of non-tangency, on the south right-of-way of proposed Deussen Parkway (300 feet wide) as recorded under Clerk's File No. P467189 of the Harris County Official Public Records of Real Property;

THENCE, South $76^{\circ}01'39''$ East, 18.67 feet along the south right-of-way of said proposed Deussen Parkway to a point beginning a curve to the right;

EXHIBIT A

McCord Development
Kingsgate Forest
688.48 Acres (HCMUD No. 344)

Victor Blanco Survey
Abstract No. 2

THENCE, continuing along the south right-of-way of said proposed Deussen Parkway along the arc of said curve to the right having a radius of 820.00 feet, a central angle of $43^{\circ}00'29''$, an arc length of 615.52 feet and a long chord bearing South $54^{\circ}31'19''$ East, 601.17 feet to a point on the west right-of-way line of existing Deussen Parkway (300 feet wide) as recorded in Volume 3166, Page 15 of the Harris County Deed Records, beginning a reverse curvature to the left, the radius point of which bears North $56^{\circ}58'55''$ East, 5879.58 feet;

THENCE, along the west right-of-way line of said existing Deussen Parkway in a southeasterly direction, the following four (4) courses and distances:

1. Along the arc of said curve to the left having a radius of 5879.58 feet, a central angle of $18^{\circ}29'15''$, an arc length of 1897.14 feet and a long chord bearing South $42^{\circ}15'42''$ East, 1888.92 feet to a point of tangency;
2. South $51^{\circ}30'19''$ East, 464.21 feet to a point beginning a curve to the right;
3. Along the arc of said curve to the right having a radius of 7489.44 feet, a central angle of $21^{\circ}30'00''$, an arc length of 2810.38 feet and a long chord bearing South $40^{\circ}45'19''$ East, 2793.92 feet to a point of tangency;
4. South $30^{\circ}00'19''$ East, 266.34 feet to the **POINT OF BEGINNING, CONTAINING 688.48 acres of land in Harris County, Texas.**

SURV\RLHM&B\68848.F13

EXHIBIT A

Regulatory Plan

The City of Houston will provide police service in the area annexed for limited purposes. In connection with that service, the City will enforce Chapters 4, 6, 8, 11, 20, 21, 22, 28, 30, 32, 33, 34, 43, 45, and 46 of the City Code and all applicable uncoded traffic ordinances. Since the City does not have a zoning ordinance, the area will not be zoned.

The area will be annexed for full purposes after the utility systems (water, wastewater and drainage) have been fully developed and any eligible developer reimbursements have been made. As a part of the Strategic Partnership Agreement a majority of the property owners waive the right to require the City to annex for full purposes within three years of the date that the area is annexed for limited purposes.

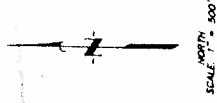
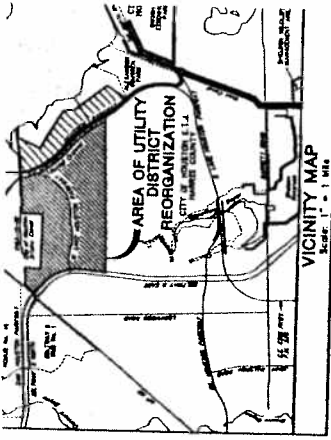
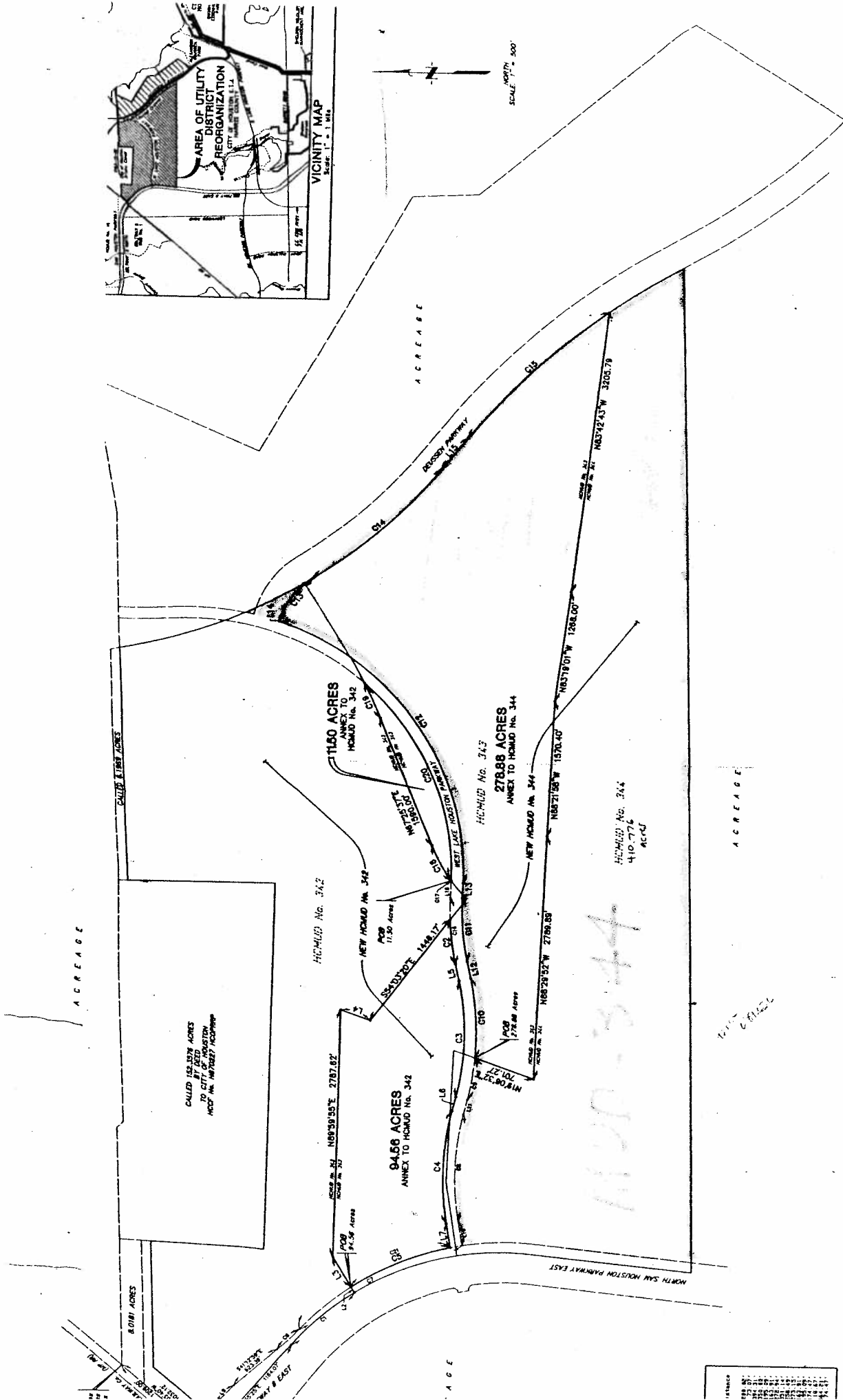


EXHIBIT
OF
HCMUD No. 343 ANNEXED TO
HCMUD No. 342 AND HCMUD No. 344
(THREE TRACTS OF LAND)
BEING
384.94 ACRES
OUT OF THE
VICTOR BLANCO SURVEY, A-2
HARRIS COUNTY, TEXAS
MAY 1995

The utility and names and boundary descriptions are for the purpose of indicating political boundaries only. They have been prepared by the City of Houston, Texas, and are not to be used for the purpose of conveying title or for the purpose of establishing the boundaries of any tract of land.



Line	Bearing	Distance	Area
1	N 89° 59' 35" E	2787.02'	11.50 Acres
2	S 89° 59' 35" E	1449.17'	11.50 Acres
3	N 89° 59' 35" E	2787.02'	11.50 Acres
4	S 89° 59' 35" E	1449.17'	11.50 Acres
5	N 89° 59' 35" E	2787.02'	11.50 Acres
6	S 89° 59' 35" E	1449.17'	11.50 Acres
7	N 89° 59' 35" E	2787.02'	11.50 Acres
8	S 89° 59' 35" E	1449.17'	11.50 Acres
9	N 89° 59' 35" E	2787.02'	11.50 Acres
10	S 89° 59' 35" E	1449.17'	11.50 Acres
11	N 89° 59' 35" E	2787.02'	11.50 Acres
12	S 89° 59' 35" E	1449.17'	11.50 Acres
13	N 89° 59' 35" E	2787.02'	11.50 Acres
14	S 89° 59' 35" E	1449.17'	11.50 Acres
15	N 89° 59' 35" E	2787.02'	11.50 Acres
16	S 89° 59' 35" E	1449.17'	11.50 Acres
17	N 89° 59' 35" E	2787.02'	11.50 Acres
18	S 89° 59' 35" E	1449.17'	11.50 Acres
19	N 89° 59' 35" E	2787.02'	11.50 Acres
20	S 89° 59' 35" E	1449.17'	11.50 Acres
21	N 89° 59' 35" E	2787.02'	11.50 Acres
22	S 89° 59' 35" E	1449.17'	11.50 Acres
23	N 89° 59' 35" E	2787.02'	11.50 Acres
24	S 89° 59' 35" E	1449.17'	11.50 Acres
25	N 89° 59' 35" E	2787.02'	11.50 Acres
26	S 89° 59' 35" E	1449.17'	11.50 Acres
27	N 89° 59' 35" E	2787.02'	11.50 Acres
28	S 89° 59' 35" E	1449.17'	11.50 Acres
29	N 89° 59' 35" E	2787.02'	11.50 Acres
30	S 89° 59' 35" E	1449.17'	11.50 Acres
31	N 89° 59' 35" E	2787.02'	11.50 Acres
32	S 89° 59' 35" E	1449.17'	11.50 Acres
33	N 89° 59' 35" E	2787.02'	11.50 Acres
34	S 89° 59' 35" E	1449.17'	11.50 Acres
35	N 89° 59' 35" E	2787.02'	11.50 Acres
36	S 89° 59' 35" E	1449.17'	11.50 Acres
37	N 89° 59' 35" E	2787.02'	11.50 Acres
38	S 89° 59' 35" E	1449.17'	11.50 Acres
39	N 89° 59' 35" E	2787.02'	11.50 Acres
40	S 89° 59' 35" E	1449.17'	11.50 Acres
41	N 89° 59' 35" E	2787.02'	11.50 Acres
42	S 89° 59' 35" E	1449.17'	11.50 Acres
43	N 89° 59' 35" E	2787.02'	11.50 Acres
44	S 89° 59' 35" E	1449.17'	11.50 Acres
45	N 89° 59' 35" E	2787.02'	11.50 Acres
46	S 89° 59' 35" E	1449.17'	11.50 Acres
47	N 89° 59' 35" E	2787.02'	11.50 Acres
48	S 89° 59' 35" E	1449.17'	11.50 Acres
49	N 89° 59' 35" E	2787.02'	11.50 Acres
50	S 89° 59' 35" E	1449.17'	11.50 Acres
51	N 89° 59' 35" E	2787.02'	11.50 Acres
52	S 89° 59' 35" E	1449.17'	11.50 Acres
53	N 89° 59' 35" E	2787.02'	11.50 Acres
54	S 89° 59' 35" E	1449.17'	11.50 Acres
55	N 89° 59' 35" E	2787.02'	11.50 Acres
56	S 89° 59' 35" E	1449.17'	11.50 Acres
57	N 89° 59' 35" E	2787.02'	11.50 Acres
58	S 89° 59' 35" E	1449.17'	11.50 Acres
59	N 89° 59' 35" E	2787.02'	11.50 Acres
60	S 89° 59' 35" E	1449.17'	11.50 Acres
61	N 89° 59' 35" E	2787.02'	11.50 Acres
62	S 89° 59' 35" E	1449.17'	11.50 Acres
63	N 89° 59' 35" E	2787.02'	11.50 Acres
64	S 89° 59' 35" E	1449.17'	11.50 Acres
65	N 89° 59' 35" E	2787.02'	11.50 Acres
66	S 89° 59' 35" E	1449.17'	11.50 Acres
67	N 89° 59' 35" E	2787.02'	11.50 Acres
68	S 89° 59' 35" E	1449.17'	11.50 Acres
69	N 89° 59' 35" E	2787.02'	11.50 Acres
70	S 89° 59' 35" E	1449.17'	11.50 Acres
71	N 89° 59' 35" E	2787.02'	11.50 Acres
72	S 89° 59' 35" E	1449.17'	11.50 Acres
73	N 89° 59' 35" E	2787.02'	11.50 Acres
74	S 89° 59' 35" E	1449.17'	11.50 Acres
75	N 89° 59' 35" E	2787.02'	11.50 Acres
76	S 89° 59' 35" E	1449.17'	11.50 Acres
77	N 89° 59' 35" E	2787.02'	11.50 Acres
78	S 89° 59' 35" E	1449.17'	11.50 Acres
79	N 89° 59' 35" E	2787.02'	11.50 Acres
80	S 89° 59' 35" E	1449.17'	11.50 Acres
81	N 89° 59' 35" E	2787.02'	11.50 Acres
82	S 89° 59' 35" E	1449.17'	11.50 Acres
83	N 89° 59' 35" E	2787.02'	11.50 Acres
84	S 89° 59' 35" E	1449.17'	11.50 Acres
85	N 89° 59' 35" E	2787.02'	11.50 Acres
86	S 89° 59' 35" E	1449.17'	11.50 Acres
87	N 89° 59' 35" E	2787.02'	11.50 Acres
88	S 89° 59' 35" E	1449.17'	11.50 Acres
89	N 89° 59' 35" E	2787.02'	11.50 Acres
90	S 89° 59' 35" E	1449.17'	11.50 Acres
91	N 89° 59' 35" E	2787.02'	11.50 Acres
92	S 89° 59' 35" E	1449.17'	11.50 Acres
93	N 89° 59' 35" E	2787.02'	11.50 Acres
94	S 89° 59' 35" E	1449.17'	11.50 Acres
95	N 89° 59' 35" E	2787.02'	11.50 Acres
96	S 89° 59' 35" E	1449.17'	11.50 Acres
97	N 89° 59' 35" E	2787.02'	11.50 Acres
98	S 89° 59' 35" E	1449.17'	11.50 Acres
99	N 89° 59' 35" E	2787.02'	11.50 Acres
100	S 89° 59' 35" E	1449.17'	11.50 Acres

